

HOW TO POSSIBLY SUCCEED WITH THE CDP FUNDING COMMITTEE BY REALLY TRYING.

There is no formula for being able to persuade the CDP funding committee to recommend funding to the Minister for Employment and Training, the Hon J. Simmonds. Assistance is available for groups which:

Demonstrate actual and/or potential economic viability within a reasonable time period.

Apply Co-operative principles in practice

Demonstrate a commitment to the democratisation of the workplace.

Create and/or maintain jobs in supported co-operatives.

The Funding Committee uses two basic sources for its judgement as to whether or not a group is to be recommended for funding:

The enterprise plan developed by the group.

The presentation of the plan by the group to the funding committee.

In the past, a number of issues have not been satisfactorily addressed by groups in their plans and or presentations to the committee. This statement has been prepared, therefore, to alert groups to the necessity of addressing these issues.

1. Co-operatives

A group should not assume that its co-operativeness is self-evident. The CDP funding committee is as interested in a group demonstrating its co-operativeness as it is in its potential economical viability. Economic viability potential will not result in a recommendation for funding if the group is not considered to understand and accept co-operative philosophy and principles. The funding committee will also be concerned to establish that the enterprise plan has been developed by the group and that the groups understands and accepts the plan. Groups are expected to demonstrate an understanding and commitment to co-operative philosophy and principles, in demonstrating this understanding and commitment, it will also be necessary to recognise the diversity of interpretation and implementation.

2. Self-Sufficiency

It is critically important that the enterprise plan addresses when self-sufficiency is projected and the basis of assuming this projected self-sufficiency. The funding committee must satisfy itself that a group is serious about attaining self-sufficiency and does not expect that continuous funding will enable its postponement. While funding has been made available to co-operatives under the CDP over a three year period, the funding committee does not automatically recommend funding each year. A new enterprise plan needs to be prepared each year.

You should not assume the inevitability of being funded. This is an inevitability that can never be assumed. The decision by the funding committee to recommend participation in the co-operative new enterprise course does not mean that it will recommend further funding. This depends on the enterprise plan and the group's presentation. Operating co-operatives under the CDP have not always been re-funded. Previously funded groups refused refunding have included the Brunswick Work Co-operative, Public Images, Chain Reaction and Trans type. It is not acceptable for groups to prepare enterprise plans simply to please funding agencies. Unless the group is committed to their own enterprise plan and its implementations, then, there is no point in the Funding Committee recommending a funding commitment.

3. Equity

It is essential that the group has a defined view on equity and how it relates to its co-operative philosophy and capitalisation requirements. Groups must have a policy on shareholding and retained earnings equity - a policy that explains the why of its rules. The Ministry of Employment and Training has discouraged a high shareholding equity and encouraged retained earning equity consistent with taxation requirements.

4. Skills

Do not under-estimate the range and depth of skills necessary for operating and developing a co-operative business. Of course, there is openness in the CDP to the development of skills - as evidenced by the emphasis on education and training plans. But, nonetheless, a business is not really operational if a basic level of technical and management skills do not exist. Every business has to be managed. The funding committee has to be convinced that how the business is to be managed is effective. For a small co-operative effective management should not necessarily be confused with a manager. But, then, it is harder to manage without a manager and a decision to share and/or rotate management will have to be justified.

5. Membership

Be clear about who will be members of the co-operative, the basis of this membership and how this relates to the principle of open membership. The membership policy should recognise that there is one class of membership, that there is one vote per member irrespective of individual shareholding and that there is a limit on the proportion of shares that could be held by a shareholder.

Co-operatives should be clear about whether they will be worker or consumer controlled and the consequence this has for the membership policy.

6. Trade Unions

The Ministry of Employment and Training encourages liaison with and membership of trade unions. The Ministry prefers co-operatives to be unionised. It is advisable to liaise with appropriate trade unions and develop a policy on trade union membership. While it is not necessarily easy to secure the specific support of trade unions for co-operatives their support is critical to the development of co-operatives. The industrial relations and industry experiences and skills of trade unions are invaluable to co-operatives committed to the democratisation of workplaces and protecting and developing the rights of workers.

The enterprise plan and its presentation should be logical and precise. At the funding committee meeting groups should:

- Strike a balance between an over-short and/or over-long presentation.

- Avoid creating and/or allowing contradictions between the enterprise plan and the presentation.

- Answer the questions asked and be heard to answer the questions.

- Demonstrate that there is unity of purpose - that members of the group share common objectives and understanding.

- Distinguish between eloquence and commitment and rhetoric for its own sake.

- Honestly admit and address exposed contradictions and inadequacies.

- Distinguish between the individual views of committee members.

Three small but significant reminders regarding the enterprise plan - (a) pages should be numbered consecutively, (b) summaries should be provided and (c) financial figures should be consistent and add-up.

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Groups would find it instructive to read or re-read the T.N.C./L.R.C. study, Worker Co-operatives in N.S.W. and Victoria: A Policy review, 1984

If any of the issues remain unclear, contact the CDP unit, Ministry of Employment and Training, 80 Collins Street, Melbourne 658 6444.